

For Immediate Release

**SINGAPORE AND INDONESIA SIGN BILATERAL INVESTMENT TREATY
TO PROMOTE STRONGER ECONOMIC TIES**

1. Singapore and Indonesia signed an Agreement on the Promotion and Protection of Investments, also known as the Bilateral Investment Treaty (BIT), at the Singapore-Indonesia Leaders' Retreat in Bali, Indonesia, today. Minister for Trade and Industry Chan Chun Sing, who is attending the Leaders' Retreat as part of the Singapore delegation, signed the agreement with Indonesian Minister for Foreign Affairs Retno Marsudi. The signing was witnessed by Prime Minister Lee Hsien Loong and Indonesian President Joko Widodo.
2. The BIT will protect investors' interests and reinforce the strong economic ties and cooperation between Singapore and Indonesia. This is especially significant as Singapore has been the top investor in Indonesia since 2014, with realised investments reaching US\$8.4 billion in 2017.
3. The BIT also establishes rules on how Indonesia should treat investments and investors from Singapore and vice-versa. Singapore companies operating in Indonesia will enjoy protection and have access to international arbitration in the event of investment disputes. Indonesian companies operating in Singapore will similarly enjoy investment protection. The BIT will complement the ASEAN Comprehensive Investment Agreement (ACIA) to promote greater investment flows between Singapore and Indonesia by giving investors certainty and confidence.
4. Mr Chan said, "Singapore has robust and long-standing economic ties with Indonesia and I'm glad that both countries remain committed to strengthening our economic relations. The signing of this BIT can boost the confidence of investors venturing into Indonesia, leading to greater trade and investment flows between our two countries."
5. Singapore's trade with Indonesia totalled S\$59.4 billion in 2017, making Singapore Indonesia's third largest trading partner after China and Japan. Indonesia is Singapore's sixth largest trading partner after China, Malaysia, the United States, Hong Kong and Taiwan.

**Ministry of Trade and Industry
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Annex A: Information on Indonesia-Singapore Bilateral Investment Treaty

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ANNEX A

Information on Indonesia-Singapore Bilateral Investment Treaty

The Indonesia-Singapore Bilateral Investment Treaty is a legally-binding agreement between Singapore and Indonesia. It establishes rules on how Indonesia should treat investments and investors from Singapore and vice-versa.

With the BIT, Singapore companies operating in Indonesia will enjoy protection on their investments, on top of that already accorded under Indonesia's domestic laws. Investors will have recourse to international arbitration in the event of a dispute. Similarly, Indonesian companies operating in Singapore will also enjoy investment protection.

The BIT will promote greater investment flows between Singapore and Indonesia by protecting the interests of investors and giving them certainty and confidence. The BIT will complement the ASEAN Comprehensive Investment Agreement (ACIA) that Singapore and Indonesia are also Party to. The BIT will grant investors from both countries the following key areas of protection:

- Non-discriminatory treatment compared to other foreign investors and their investments (Most-Favoured-Nation treatment).
- Non-discriminatory treatment compared to local investors and their investments (National Treatment) in most sectors.
- Fair and equitable treatment, and full protection and security, based on customary international law.
- Protection from illegal expropriation.
- Compensation for losses arising from war, armed conflict, civil strife.
- Freedom to transfer capital and returns.
- Right for investors to submit dispute claims on behalf of their locally-established enterprise in the host State.
- Access to international arbitration for investment disputes.